
Disability Compensation Fund

FY 2002 Proposed Operating Budget:	\$28,086,000
FY 2002 Proposed Capital Budget:	\$0

The Disability Compensation Fund aims to proactively integrate managed care principles with rehabilitation expertise in order to safely return employees to work as soon as possible, reduce costs, and manage issues created by employees' work-related injuries and/or illnesses. In addition, the fund provides injured employees with competent medical care and compensation for lost wages.

The FY 2002 proposed operating budget is \$28,086,000, an increase of \$2,150,000, or 8.3 percent, over the FY 2001 approved budget.

Budget Summary

The FY 2002 proposed operating budget for the Disability Compensation Fund (DCF) is \$28,086,000 from all sources, an increase of \$2,150,000, or 8.3 percent, over the FY 2001 approved budget (table BG0-1). No full-time equivalent (FTE) positions are supported by this budget, which represents no change from FY 2001.

The Disability Compensation Fund consists of two components: compensation benefits and medical services. Since anticipated costs for compensation benefits in FY 2002 are projected to be below the FY 2001 authorized budget of \$20,076,122 by \$250,000, the budget is decreased to adequately provide for disability compensation payments in FY 2002. Since anticipated costs for medical services are projected to exceed the FY 2001 approved budget of \$5,699,878 by \$2,400,000, additional monies in the amount of \$2,400,000 will bring the FY 2002 budget in line with projected medical expenditures for this entitlement program.

Strategic Issues

- Transition of the Disability Compensation Fund from the Department of Employment Services to the D.C. Office of Personnel
- Timely reporting and adjudication of claims
- Immediate medical treatment focused on work capacity
- Integration of processes and procedures into one defined system.

FY 2002 Initiatives

- Contain cost.
- Implement a consolidated approach by integrating processes and programs.
- Improve services to employees and managers.
- Promote wellness and prevention of injuries.
- Improve claims experience to ensure competitive rates in the future.
- Show the importance of return-to-work and disability management and implement a transitional duty program.

Agency Background

The Disability Compensation Fund is an entitlement program. The fund's mandate is to pay benefits to eligible claimants under the District of Columbia Employees Disability Compensation Fund, established by the District of Columbia Merit Personnel Act (D.C. Law 2-139), as amended. The fund makes payments as compensation for lost wages, for medical services related to workplace injuries, and for services such as vocational rehabilitation.

Programs

The DCF is administered by the Department of Employment Services (DOES) and has no FTEs. The entire budget is in nonpersonal services – primarily subsidies and transfers, and services and charges. Administration will be transferred to the D.C. Office of Personnel in FY 2002.

Funding Summary

Local

The proposed local budget is \$27,986,000, an increase of \$2,150,000, or 8.3 percent, over FY 2001. Nonpersonal services make up all of this

increase. There are no FTEs supported by local sources, which represents no change from FY 2001. Of the FY 2002 proposed local budget of \$27,986,000, \$8,099,878 is budgeted for medical services, \$19,826,122 for compensation benefits, and \$60,000 for medical supplies and materials. Significant changes in local funding from FY 2001 include a decrease of \$250,000 for disability compensation payments and an increase of \$2,400,000 for medical services. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Intra-District

The proposed FY 2002 operating budget includes \$100,000 in intra-District funds, unchanged from the FY 2001 approved budget. These funds are intended to continue a D.C. Council pilot program that requires pilot agencies (Fire, DCRA, and DOES) to fund their respective employee disability compensation.

Trend Data

Table BG0-2 shows the expenditure history for FY 1998–2002.

Table BG0-1

FY 2002 Proposed Operating Budget

(dollars in thousands)

Disability Compensation Fund

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Supplies and Materials	34	60	60	0
Other Services and Charges	8,072	5,700	8,100	2,400
Subsidies and Transfers	20,888	20,176	19,926	-250
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>28,993</i>	<i>25,936</i>	<i>28,086</i>	<i>2,150</i>
Total Proposed Operating Budget	28,993	25,936	28,086	2,150

Table BG0-2

FY 2002 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Disability Compensation Fund

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	33,041	25,291	28,993	25,836	27,986
Intra-District	0	0	0	100	100
Gross Funds	33,041	25,291	28,993	25,936	28,086